

MILANO SECTION IV RESIDENTS ASSN., INC.
ADOPTED BUDGET FOR THE FISCAL YEAR
JAN. 1, 2019 TO DEC. 31, 2019

MILANO SECTION IV	2018	2018	2019	CHANGE	2019	2019
64 UNITS	ADOPTED	PROJECTED	ADOPTED	FROM	QUARTERLY	Budget Notes
	BUDGET	ACTUAL	BUDGET	'18 TO '19	PER UNIT	
REVENUE:	\$980/qtr		\$1,062/qtr			\$82/unit/qtr increase
MAINTENANCE ASSESSMENTS	219,136.00	219,136.00	240,128.00	20,992.00	938.00	significant increases: Milano Rec, allowance for bad debt, professional fees, new contingency expense line item
RESERVE ASSESSMENTS	31,744.00	31,744.00	31,744.00	0.00	124.00	see reserve schedule - maintain same annual funding
TOTAL REVENUE	\$260,880.00	\$250,880.00	\$271,872.00	\$20,992.00	\$1,062.00	8.37%
EXPENSES:						percentage change
- OPERATING -						
BAD DEBT	0.00	0.00	2,829.00	2,829.00	11.05	Allowance plan for bad debt for one unit that has been a historical receivable due to bankruptcy filing from 2011
CONTINGENCY	0.00	0.00	2,500.00	2,500.00	9.77	Per Manager BOD wants to set up a \$2,500 contingency for 2019 for unplanned expenses.
ELECTRICITY	1,265.00	1,302.36	1,350.00	85.00	5.27	In 2018 - 9 accounts - avg \$101/month. FPL proposed a four year plan. 2017-2020 rate to include a 2.8% increase per year for 3 years and no increase in 2020. Slight increase for 2019 based on 2.8% increase on 2018 projected actuals.
FIRE ALARM MAINTENANCE	8,300.00	12,920.99	8,420.00	120.00	32.89	In 2018 Naples Fire Protection \$682 for annual sprinkler inspection and \$450 for backflow certification; \$774 to replace multiple OS&Y valves; \$864 replace loose/damaged conduit bldg. 6&7; \$480 repair leaking backflow. Paid Protection Plus \$220 for fire alarm repair; \$3,800 to replace bldg. 6&7 fire alarm control panel; \$600 for annual fire alarm inspection and certification. Paid National Security Fire \$1,754 for service calls for repairs and battery replacements' \$418.70 for quarterly sprinkler inspection. For 2019 Naples Fire Protection - annual sprinkler inspection \$682 and annual backflow \$450. National Security Fire \$418.70 (\$395+Tax) for quarterly sprinkler inspections. National Security Fire annual alarm inspection \$600 + \$5,000 for misc. repairs.
FIRE ALARM MONITORING	3,915.00	4,535.10	5,200.00	1,285.00	20.31	In January 2018 paid Protection Plus monitoring six systems Bldg. 1/2, Bldg. 3/4, Bldg. 5, Bldg. 6/7, Bldg. 8 and Bldg. 9. \$127.50/qtr./system for a total of \$765/qtr. National Security Fire took over monitoring services as Protection Plus went out of business. Paid \$429.30 for June Service and \$2,575.80 in July for July-Dec service (\$405/mo. for monitoring plus tax \$145.80). For 2019 Naples Security Fire \$405/mo. plus 6% tax for monitoring services.
INSURANCE	37,450.00	30,502.00	31,575.00	(5,875.00)	123.34	In 2018, Property - American Capital Assurance Corp \$27,678, Package Liability- \$1,130, Crime-\$574, D&O -\$1,130. All effective 6/12/2018. Per Agent for 2019 estimate - Property \$28,500 (includes Wind & Boiler & Machinery), \$1,200 for General Liability, Crime \$625, and D&O \$1,250. Decrease for 2019.
MANAGEMENT/ACCOUNTING	15,014.00	15,014.00	16,130.00	1,116.00	63.01	In 2018 Williams Group \$650/month through April. In May new management company AJJ Management \$650/mo. Collier Financial \$557/month and \$530 for budget fee. For 2019 AJJ Management \$730/month and Collier Financial \$570/month and \$530 for budget fee.
MASTER ASSOCIATION FEE	140,032.00	140,032.00	151,552.00	11,520.00	592.00	For 2018, Milano Rec \$547/qtr per unit. For 2019, proposed rate \$592/qtr per unit, \$45 increase - adding internet service to the cable package starting 1/1/2019.
OFFICE/POSTAGE/ADMINISTRATION	3,100.00	3,581.43	3,300.00	200.00	12.89	In 2018 Administrative services, expenses and postage from CFI, Williams Service Group & AJJ Management. Add'l costs in 2018 as result of special members meeting. Slight increase for 2019 based on 17/18 actual.
PROFESSIONAL FEES	1,322.00	6,994.00	5,000.00	3,678.00	100.00	In 2018 Paid CFI \$262.50 to attend annual meeting. Paid Adamczyk Law Firm \$1,010 for DiPrima Dog Violation; \$442 for Austin Foreclosure; \$1,036 for leasing amendments and declarations; \$448 roof replacement adjuster and contractor review. Another \$935 in legal invoices for Sept. service. Estimate add'l \$1,000 in expenses before year end and in October \$270 to Townsend Appraisals for insurance appraisal

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AJJ Management Svc LLC

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MILANO SECTION IV 64 UNITS	2018 ADOPTED BUDGET	2018 PROJECTED ACTUAL	2019 ADOPTED BUDGET	CHANGE FROM '18 TO '19	2019 QUARTERLY PER UNIT	2019 Budget Notes
REPAIRS & MAINTENANCE	4,000.00	2,630.00	6,000.00	2,000.00	23.44	In 2018 through 9/30/18 paid Southwest FL Home \$300 to paint fire alarm boxes, \$50 repair lifted pavers. Dryer Vent Cleaning \$1,280 to Lint Out. Est \$1,000 in add'l repairs and maintenance before year end. Possible Fire box replacements at \$750 per mgr. before y/e. For 2019 \$5,000 for pwerwashing buildings & pavers + \$1,000 for misc repairs
ROOF CLEANING	6,180.00	3,090.00	6,180.00	0.00	24.14	In 2018 Clean Up Group will do semi-annual roof cleaning. \$3,090/every 6 months, \$6,180 annually. Paid 1st maintenance in January but the 2nd cleaning is suspended this year, per mgmt. Per mgmt-2019 no change \$3,090 semi annually or \$6,180 annually, but may be able to eliminate expense in 2019 if roofs are replaced as result of Irma damages.
HURRICANE DAMAGE	0.00	39,779.45	0.00	0.00	0.00	Hurricane IRMA related repairs/clean up-Paid Select Development Group \$3,643 for roof and drywall repair at 16075 due to IRMA. Before year end set-up expense liability for insurance settlement funds recv'd in May 2018 less expense to date.
TAX RETURN PREPARATION	400.00	400.00	400.00	0.00	1.56	In 2018 \$400 for CFI to prepare 2016 Federal Tax Return. No change for 2019.
TAXES/LICENSES/FEES	152.00	61.25	192.00	40.00	0.75	In 2018 Corporate Annual Report \$61.25 and \$0 fed tax.
TOTAL OPERATING	\$221,408.00	\$263,133.56	\$240,628.00	\$19,220.00	\$939.95	
- RESERVE TRANSFERS -						
RESERVE-INTEREST	800.00	1,368.88	1,200.00	400.00	4.69	transfer of reserve interest
PAINT	6,536.00	6,536.00	6,538.00	2.00	25.54	see reserve schedule
ROOF	19,411.00	19,411.00	21,440.00	2,029.00	83.75	see reserve schedule - increased RCV in 2019 resulting in increased funding
FIRE PROTECT-FIRE ALARM PANELS	3,591.00	3,591.00	2,016.00	(1,575.00)	7.88	see reserve schedule - increased RCV/extended remaining life
FIRE PROTECT-ENCLOSURE W/AC	2,206.00	2,206.00	0.00	(2,206.00)	0.00	see reserve schedule - Fully Funded
GUTTERS	0.00	0.00	1,750.00	1,750.00	6.84	see reserve schedule-Set up new reserve for 2019
TOTAL RESERVE TRANSFERS	\$32,544.00	\$33,112.88	\$32,944.00	\$400.00	\$128.70	No change in overall funding from assessments
TOTAL EXPENSES	\$253,952.00	\$296,246.44	\$273,572.00	\$19,620.00	\$1,068.65	
OTHER INCOME:						
LATE FEES	0.00	153.67	0.00	0.00	0.00	conservative estimate with other income sources
APPLICATION FEES	200.00	1,004.00	500.00	300.00	1.95	conservative estimate with other income sources
INTEREST EARNED - RESERVES	800.00	1,368.88	1,200.00	400.00	4.69	conservative estimate with other income sources
INSURANCE SETTLEMENT	0.00	39,779.45	0.00	0.00	0.00	IRMA Insurance Settlement - recv'd in May 2018
TOTAL OTHER INCOME	\$1,000.00	\$42,306.00	\$1,700.00	\$700.00	\$6.64	
NET INCOME/(LOSS)	(\$2,072.00)	(\$3,060.44)	\$0.00	\$2,072.00	(\$0.01)	
	ok-sh 10/5/18	\$55,793.04	12/31/17 cumulative gain			
		\$52,732.60	12/31/18 projected gain			
FOOTNOTES:						
The Association will end the year with an estimated cumulative surplus of approximately \$52,700.						
The "true" cost to operate the Association in 2019 is \$1,062 per unit per quarter.						
The "true" cost to operate the Association in 2018 was \$988 per unit per quarter.						

MILANO SECTION IV RESIDENTS ASSOCIATION, INC.
ADOPTED RESERVE FUNDING FOR FISCAL YEAR JAN. 1, 2019 TO DEC. 31, 2019

UNITS - 64	PAINTING 2020	ROOF	FIRE PROTECTION FIRE ALARM PANELS	FIRE PROTECTION ENCLOSURE W/ AIR COND.	GUTTERS	TOTAL
REPLACEMENT COST *	\$45,000	\$616,900	\$19,500	\$13,440	\$35,000	\$694,840
LIFE (YEARS)	7	30	6	6	20	
REMAINING LIFE (YEARS)	1	17	3	1	20	
12/31/18 BALANCE (estimated)	\$38,466	\$252,400	\$13,452	\$13,440	\$0	\$317,758
AMOUNT TO FUND	\$6,536	\$364,500	\$6,048	\$0	\$35,000	\$377,084
Year 2019 FUNDING	\$6,538	\$21,440	\$2,016	\$0	\$1,750	\$31,744
QUARTERLY FUNDING	\$1,634.50	\$5,360.00	\$504.00	\$0.00	\$437.50	\$7,498.50
QUARTERLY PER UNIT	\$25.54	\$83.75	\$7.88	\$0.00	\$6.84	\$124.00
*To be expressed in terms of today's cost, without adjustment for inflation, which is covered from interest income.						
In addition to the above balances the Association has \$19,289 in initial capital plus interest of \$5,138.						
Reserve Expense History:						
No reserve exp in 2018 thru 9/30/18						
In 2017 - No reserve expenses						
In 2016 - No reserve expenses						